



Energising  
communities

# Puma Energy Q1 2020 Financial Results

Wednesday 20 May 2020

# Energising communities

## Agenda

1. Introduction
2. Financial Performance
3. Outlook
4. Q&A





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# Introduction

Emma FitzGerald, CEO

## Health and safety is our number one priority

- Put the health and safety of our teams, customers and partners first via swift COVID-19 safety protocols
- Our Lost Time Injury Frequency Rate (LTIFR) results remain stable despite the difficult operating environment

## Responding swiftly to the Crisis to protect the business

- Immediately setup global, regional and local COVID-19 response teams in February alongside our partners
- Implemented Business Continuity Plans in innovative and creative ways to keep business running smoothly
- Our supply chain is well equipped and positioned to cope with the changing operating environment

## Maintaining safe and reliable access to the essential services we provide

- Our services are rated as essential across our core operating markets
- Ensured that front-line teams can keep working to maintain essential facilities and fuels for customers
- Extremely vigilant with transport, supply, delivery and security processes as we continue to “energise communities”



## Partnering closely with government and local agencies to reach the communities we serve

- Responding in a responsible, calm and pragmatic way
- Collaborating with local governments and agencies and providing support via diverse initiatives
- Reaching out to people in the communities by supporting the vulnerable and those most in need

## Enhancing customer offer and value proposition

- Moved fast to adapt our offering to changing customer needs
- Innovative and agile with smart new partnerships and services e.g. delivery services and click and collect for convenience retail products and lubricant servicing

## Giving back to those in need

- The Puma Foundation has donated \$150,000 to tackle social and economic consequences for vulnerable communities in Africa, Asia Pacific and Americas
- Supporting global medical workers on the front line – fuel donations to emergency transport services, free coffees, messages of support



Q1 EBITDA of  
**\$111m**



**\$15m**  
of operational  
improvements



Closed 1-year  
**RCF at \$310m**  
on 30 April



Sale of **Australian  
Fuels Business**  
expected to  
close Q2



Commitment  
to **deleverage**  
the **balance**  
sheet



Strict **cost and**  
**capital** controls



**EBITDA GROWTH**

**Operational excellence**



**Improving performance**

- Improve management and control of existing assets
- Streamline costs
- Improve our value proposition to customers

**Focused growth**



**Increasing the size of the current core business**

- Attracting new customers and increasing turnover
- Optimisation of network presence
- Expanding our product portfolio

**New business development**



**Finding new sources of value**

- New products in existing geographies
- New businesses in existing geographies
- Market entry into new geographies

**What do we want to achieve?**

**What are the enablers?**

**Operating model**

**Culture**

**Digitisation**



## Operational improvements delivered \$15m for the quarter; building on 2019 performance



### Papua New Guinea Logistics

- A new competitive tender process for sea freight logistics
- **Cutting costs and reducing administrative overheads**

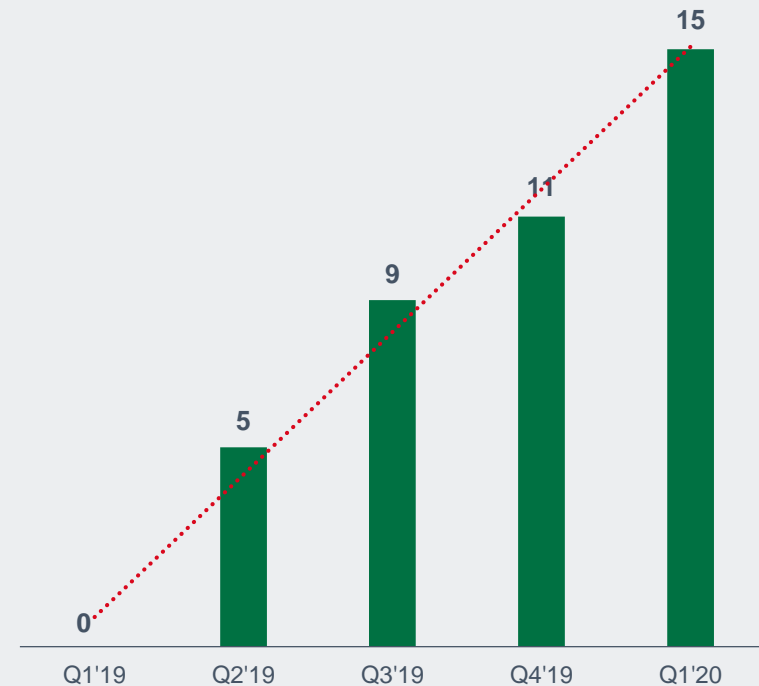
### Central America Retail Operating Costs

- Implementation of a “Staffing model” to measure performance
- **Increasing operational efficiencies in order to improve profitability**

### Myanmar B2B Volumes

- Creating new CVP’s to drive B2B volumes with profitable margins
- **Getting ahead of competitors**

### Operational improvements (US\$ million)







### Building a Retail network and platform for future growth



#### Strategic Capex investment

- Building new Retail sites, new convenience stores and retrofitting selected stores in line with a solid Network plan
- **Redistributing capex to areas of value growth**

#### Investing in Customer offer

- Extending the retail offer across existing retail sites in the Americas and Africa by introducing food services
- Growing our food service offers and testing a new express format
- **Attracting new customers to our brand**

### Strengthening other priority segments and core markets



#### Building capability in HPL

- Capitalising on our technical expertise and full product range to develop more attractive CVP's
- Leveraging our B2B offer in wholesale fuels to attract new customers to integrated commercial solutions
- **Maximising value for customers and for Puma**

#### Reassessing Lubricants supply and costs

- Strategic selection of blending plants, lubricants formulations, technology partners and base-oil suppliers
- **Restructuring supply chain to add long-term value**



### Investing in digital consumer experiences



#### Partnering with brands to deliver new customer propositions

- Partnering with local delivery companies such as Uber to deliver products and essential groceries straight to customers' homes
- **Offering innovative solutions ahead of competitors**

#### Enhancing the Puma Fast Pay App for click and collect

- Customers can select, pay and pick up a range of products in addition to paying for fuel purchases 24/7
- **Accelerating customer facing technology to drive demand**

### Creating the platform for growth in renewable energy



#### Establishing our commitment to the Energy Transition

- As a first step towards reducing Scope 1 and Scope 2 GHG emissions and in developing Puma capabilities in solar power generation, the Company has committed to invest in solar power projects in 3 countries and plans to invest in a further 9 countries covering Retail site, Terminal, and Office building solarisation.
- **Customer offerings in Renewable Energy are being developed as a distinct stream of value generation**



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# Financial Performance

Andrew Kemp, CFO

## Headline Q1 2020 performance



	Q1 '20	Q1 '19	Q4 '19
Sales volume ('000 m <sup>3</sup> )	6,306	6,052	6,507
Gross profit	318	347	345
Unit margin (USD/m <sup>3</sup> )	50	57	53
Fixed costs	205	214	216
EBITDA	111	130	133
Profit for the period	-19	-8	-315
Capex	-34	-27	-55
Cash flow from operations	45	131	383



### Key highlights

- Sales volume 6% higher vs same quarter last year adjusted for Paraguay
- Gross profit broadly flat on an underlying bases
- Continued progress on fixed cost reduction
- Underlying EBITDA up 7% (excluding the Paraguay perimeter change and the Covid-19 related impacts)

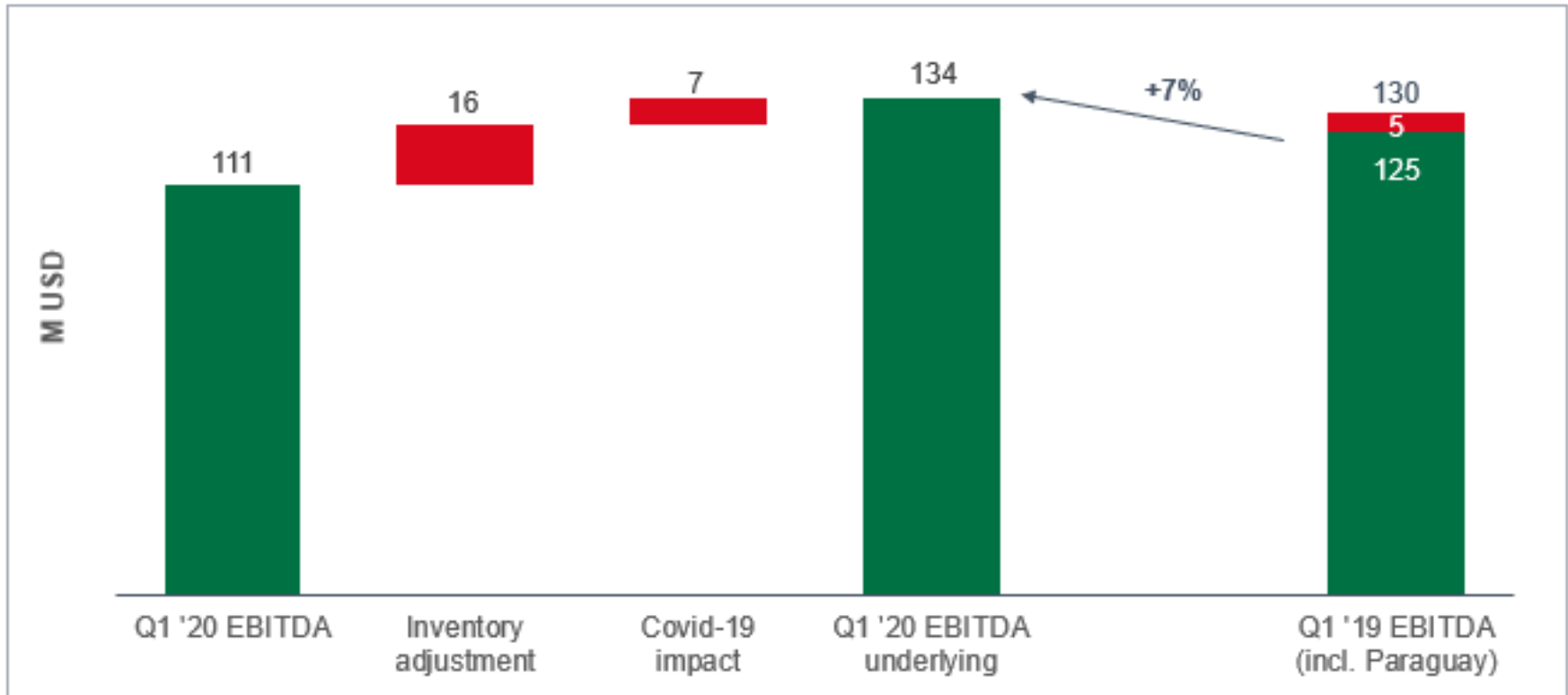
Note: All financial figures are presented excluding the impact of IFRS16

## Underlying EBITDA growing 7% driven by strategy execution



### Key highlights

- Sharp drop in international oil prices at the quarter end leading to the inventory adjustment
- COVID-19 relates primarily to Aviation and early confinement measures in Panama
- Paraguay Q1 '19 EBITDA of US\$ 5 million



## Cash flows and working capital



US\$ million	Q1 '20	Q1 '19	Q4 '19
Net cash flow from operations	45	131	383
Net cash flow used in investing	-31	-23	60
Net cash flow from financing	-95	-171	-237
Days of sales out-standing (3rd party)	12	14	12
Days of inventory	20	30	24
Days of payables	65	70	60



### Key highlights

#### Cash from operations impacted by:

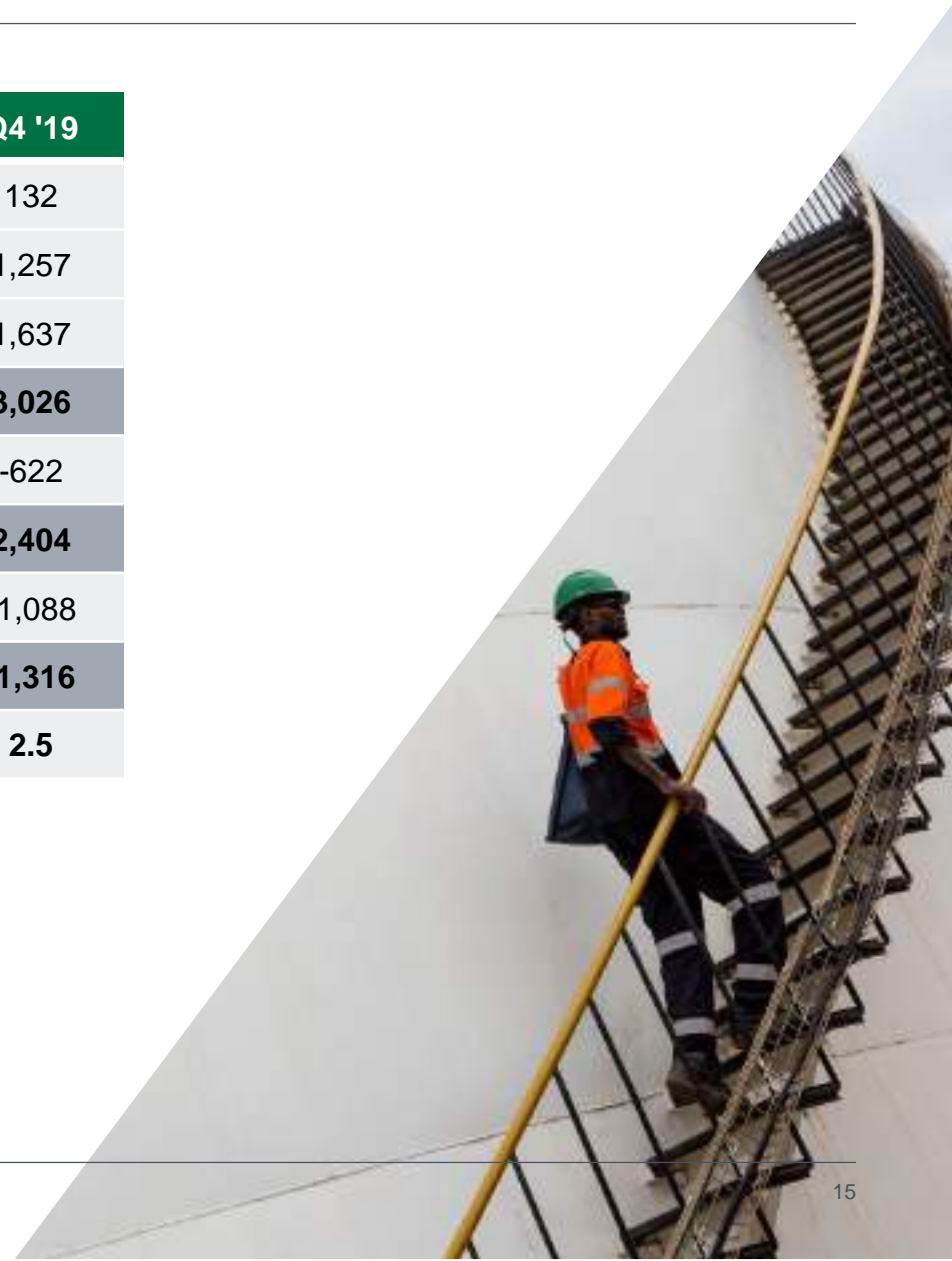
- Working capital contraction related to oil price decrease at the end of the quarter
- Timing of the cash collection of favourable inventory hedge results

## Capital structure

US\$ million	Q1 '20	Q1 '19	Q4 '19
OpCo Debt	272	298	132
Senior Facilities	1,080	1,285	1,257
Senior Notes	1,615	1,656	1,637
<b>Gross debt</b>	<b>2,967</b>	<b>3,239</b>	<b>3,026</b>
Cash	-579	-578	-622
<b>Gross debt net of cash</b>	<b>2,388</b>	<b>2,661</b>	<b>2,404</b>
Inventories	-753	-1,207	-1,088
<b>Net debt</b>	<b>1,635</b>	<b>1,454</b>	<b>1,316</b>
<b>x LTM EBITDA</b>	<b>3.2</b>	<b>2.8</b>	<b>2.5</b>

### Key highlights

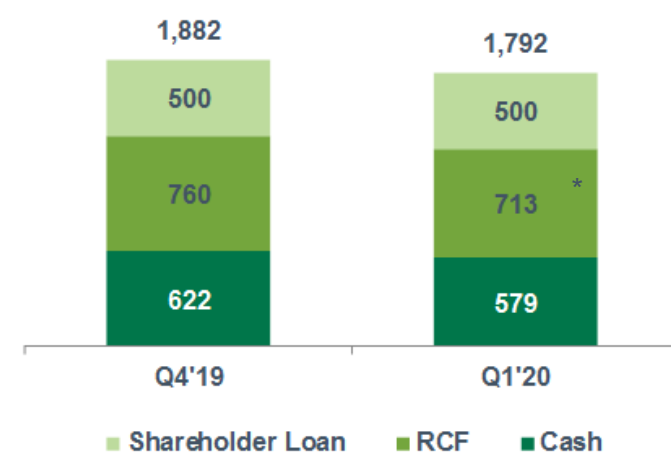
- Reduced gross debt net of cash
- Net debt increased due to inventory value contraction



### Key highlights

- Term loan due in 2021 has been reduced to \$700m with a \$150m prepayment in January 2020
- Proceeds from Australia disposal and cash flow from operations will be also applied against this facility

### Cash and undrawn commitments



US\$ million	Total	<1yr	>1yr	>2yrs	>3yrs	>4yrs	>5yrs
HoldCo debt	2,695	135	924	230	37	618	750
OpCo debt	272	272	-	-	-	-	-
<b>Gross debt</b>	<b>2,967</b>	<b>407</b>	<b>924</b>	<b>230</b>	<b>37</b>	<b>618</b>	<b>750</b>
<i>% of Total</i>		14%	31%	8%	1%	21%	25%

(\*) Utilization of tranche A1, off balance sheet instrument for \$47m





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# Outlook

**Emma FitzGerald, CEO**

## Near-term actions in light of COVID-19, positioning for recovery



**The macroeconomic environment remains uncertain and we will continue to monitor, respond and prepare for recovery. We maintain a focus on executing our plans, mitigating risks and delivering on opportunities.**

In order to ensure that the business is not materially affected by the expected trading conditions in Quarter 2 and Quarter 3 as a consequence of COVID-19 related volume and margin reductions, Puma Energy have taken the following actions:

	Costs and Capital Discipline	Asset Management	Suppliers and Shareholder Support
Near-term Actions	<ul style="list-style-type: none"><li>• Reduce our 2020 capital expenditure program from \$200m to \$130m</li><li>• Reduction of operating costs across the business during 2020, totalling \$40m</li></ul>	<ul style="list-style-type: none"><li>• Sale of Australia Fuels Business on track to close end Q2</li><li>• Targeting non-core asset disposals of \$100m</li></ul>	<ul style="list-style-type: none"><li>• Exploring opportunities to renegotiate contract terms with suppliers</li><li>• We have agreed with our core shareholder suppliers an interim price adjustment under their supply arrangements anticipated to realize \$100M over a 5 month period</li></ul>

**Executing the strategy**



**Operational excellence**



**Focused growth**



**New business development**



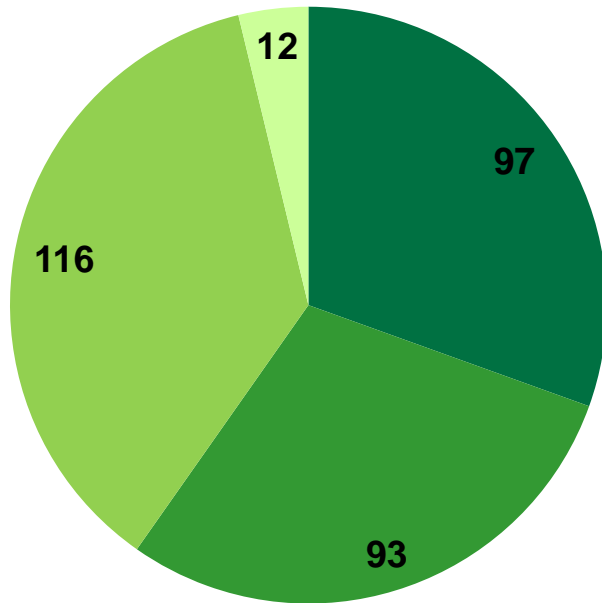
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# Appendices

# Gross profit breakdown

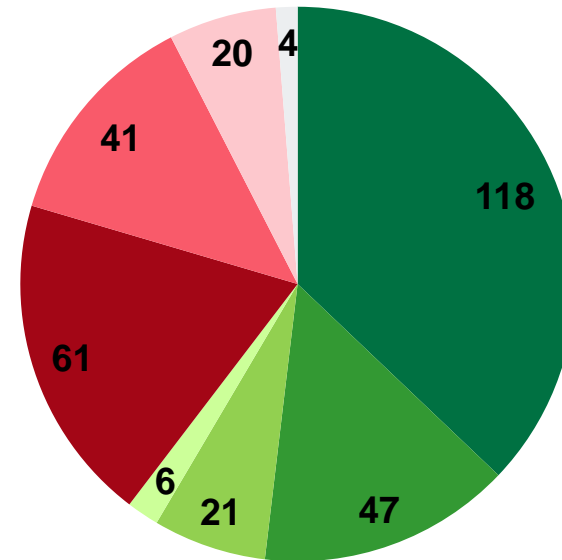


### Gross profit by region (US\$318 million)



■ Americas ■ Africa ■ Asia Pacific ■ Europe

### Gross profit by segment (US\$318 million)



■ Retail ■ BTB  
■ Aviation ■ Lubricants  
■ Storage & Refining ■ Bitumen  
■ Wholesale ■ Other

	Threshold	Q1 '20 ratio
Tangible net worth	> \$ 1.8 bn	\$ 2.3 bn
Net debt / EBITDA	< 3.5 x	3.20x
Interest coverage ratio	> 2.5 x	2.82x

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**Thank you**